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1 Statements of Adoption, Consultation and Sustainability Appraisal

1 Statements of Adoption, Consultation and Sustainability Appraisal

Adoption Statement

1.1 The Affordable Housing Supplementary Planning Document was endorsed for adoption by the Cabinet Members of the London Borough of Hillingdon on 9th March 2006 to provide supplementary guidance to both the Unitary Development Plan (1998), emerging LDF Core Strategy (submission stage March 2006) and bring together the implementation of the Mayor of London affordable housing policies and requirements in the London Plan.

1.2 Following the preparation of the SPD's Statement of Consultation and Statement of Sustainability Appraisal, the Council adopted this SPD on 24 May 2006.

1.3 In accordance with Regulation 16(b) and 16(c) of the Town and Country Planning (Local Development) (England) Regulations 2004, any person aggrieved by this Supplementary Planning Document may request the High Court permission to apply for a judicial review of the decision to adopt the SPD and that any such application must be made promptly and in any event not later than 3 months after the date on which the SPD was adopted.

Statements of Consultation and Sustainability Appraisal

1.4 Following the Cabinet Members endorsement for adoption of this SPD on 9th March 2006, the Council prepared a Statement of Consultation and a Statement of Sustainability Appraisal which are available for viewing at the Council Offices and in the Council's Website www.hillingdon.gov.uk/ldf

1.5 **The Statement of Consultation** sets the public participation and consultation processes undertaken for the Affordable Housing SPD. It was prepared to meet the requirements of Regulation 18 (4) (b) of the Town & Country Planning (local Development) (England) Regulations 2004.

1.6 **The Statement of Sustainability Appraisal** summarises how the Affordable Housing SPD has changed in response to the Sustainability Appraisal process, how the opinions expressed during the consultation exercise have been incorporated into the SPD, the reason for choosing the adopted SPD and the significant uncertainties and effects of the SPD that require further monitoring and assessment.

1.7 The Statement of Sustainability Appraisal was prepared to meet the requirements of Article 9 of European Directive 2001/42/EC (Strategic Environmental Assessment (SEA) Directive) and the Office of the Deputy Prime Minister's 'Sustainability Appraisal for Regional Spatial Strategies and Local Development Documents' (2005) and 'Environmental Assessment of Plans and Regulations', (2004).





2 Introduction

2.1 This Supplementary Planning Document (SPD) provides advice on the implementation of the Affordable Housing policies in Hillingdon by helping the interpretation and application of affordable housing guidance within the Housing Policies of the Local Development Framework (LDF) Core Strategy Submission document, Draft Planning Policy Statement 3 and London Plan Affordable Housing policies.

2.2 Hillingdon's LDF has been subject to public consultation as part of the Issues and Options stage in February/April 2005 and the Preferred Options stage in October/November 2005. Therefore, the LDF policies now progressing to their Submission Stage have a significant material consideration status.

2.3 Consultation on the SPD and its Sustainability Appraisal took place for six weeks alongside the LDF Core Strategy Preferred Options on 12 October 2005.

2.4 The physical, social and environmental implications of the SPD are assessed in its accompanying Sustainability Appraisal.

2.5 This SPD provides implementation support to the LDF Core Strategy's aim: "To increase access to and choice of housing in the Borough" and Unitary Development Plan (1998) policy H11 which seeks to obtain the highest acceptable proportion of affordable housing.

Relevant Documents:

Sustainable Communities Plan: Homes for All, 2005

Sustainable Communities Plan: Building for the Future 2003

Draft Planning Policy Statement 3 (Housing) 2005

Policy Guidance Note 3: PPG3, 2000

Circular 6/98 'Planning and Affordable Housing'

Circular 05/05 'Planning Obligations'

The London Plan, 2004

Draft West London Sub Regional Development Framework (SRDF), 2005

London Housing Strategy, 2005 GLA Housing SPG, 2005

Hillingdon Unitary Development Plan, 1998

Affordable Housing Best Practice Note, 2001

Hillingdon's Intermediate Housing Strategy, 2005

Hillingdon's Supplementary Planning Guidance on Planning Obligations, 2003 and emerging SPD, 2007

Hillingdon Design and Accessibility Statement SPD, 2005

Hillingdon's Community Safety by Design SPG, 2004

Houses in Multiple Occupation and other non Self-contained Housing, 2004

Local Development Framework: Core Strategy Submission Stage, 2006



3 Policy Context

National Guidance

3.1 The Government's planning policy relating to affordable housing is set out within Planning Policy Guidance Note 3, PPG3, (2000) and Circular 6/98 'Planning and Affordable Housing'. These documents recognise that the community's need for affordable housing is a material planning consideration, which should be taken into account in formulating development plan policies and in determining planning applications involving housing. The advice also refers to the need to address a community's need for a mix of housing types including affordable housing. Where there is a demonstrable lack of affordable housing, Government urges Local Planning Authorities (LPAs) to seek in their development plans affordable housing from suitable developments.

3.2 According to this guidance, development plan policies should:

- define what is affordable in the development plan area with regards to local income levels and house prices or rents for different types of households;
- indicate the number of affordable homes to be provided throughout the plan area; and
- identify suitable areas and sites on which affordable housing is to be provided and the amount of provision which will be sought.

Draft Planning Policy Statement PPS3 (Housing) 2005

3.3 The proposed policy changes will replace paragraphs 9 to 17 of PPG3, Annex C would be updated with new definitions and Annex D will be updated with the details of new practice guidance. DETR Circular 6/98 (Planning and Affordable Housing) will be cancelled.

3.4 In addition to current PPG3 requirements for affordable housing policy, Draft PPS3 require local development plans to establish:

- the size and type of affordable housing required;
- the form of in kind contribution that will be sought and where appropriate, the financial contribution that will be sought towards the provision of affordable housing elsewhere in the plan area; and
- the circumstances where the amount of affordable housing to be sought will be different from the norm, or related to different site-size thresholds, or where no affordable housing contribution will be sought.

3.5 Draft PPS3 also highlights that when determining the amount of affordable housing to be sought on sites, LPAs should balance the need for affordable housing against the likely development potential of sites.

3.6 Government draft guidance seeks to reduce the minimum site-size threshold above which affordable housing is to be sought to at least 15 dwellings or sites of at least 0.5 hectares from current 25 dwellings or sites of 1 hectare or more.

3.7 While PPG3 emphasises that affordable housing should not favour a particular tenure, its amendments are more flexible in this issue and Draft PPS3 allows for LPAs to specify tenure requirements when justified by local circumstances.

Circular 05/05 'Planning Obligations 2005

3.8 This Circular provides guidance on the use of Planning Obligations to ensure the implementation of planning policy including securing the provision of an element of affordable housing in residential developments or mixed-use developments with an element of residential use. Circular 05/05 replaces advice contained in Circular 01/97.

3.9 As part of the progression of Hillingdon's LDF, the Council is currently revising planning guidance on Planning Obligations which will encompass the changes brought by the new Circular 05/2005.





3.10 The Affordable Housing SPD makes reference to Hillingdon's Planning Obligations Supplementary Planning Guidance prepared under Circular 01/97 guidance and the emerging Planning Obligations SPD being prepared under the new guidance in Circular 05/05. Planning Obligations guidance is crucial to the implementation of affordable housing and affordable housing providers as well as developers of private sites should refer to Hillingdon's guidance on planning obligations as directed in this SPD.

Regional Guidance: The Greater London Authority

The London Plan

3.11 The London Plan was adopted in February 2004 and therefore policies contained within the plan are more up to date than Hillingdon's UDP policies. Consequently, London Plan policies may take precedence when making planning decision in Hillingdon. LDF policies are required to be in 'general conformity' with the London Plan. The London Plan requires the provision of 8,890 new dwellings in Hillingdon for the period 1997-2016 with an annual target of 440 dwellings. This target is to be reviewed in 2006. Following the findings of the London Housing Capacity Study (2005), the GLA published revised housing targets for the London Boroughs in October 2005. The draft revised target for Hillingdon is now 3600 new dwellings (360 annual target). From 2007, monitoring will be carried out against the new targets. The London Plan establishes a 50% London wide affordable housing target from all housing sources (Policy 3.A7). The London Plan aims to secure an affordable housing tenure split of 70% social rented and 30% intermediate housing.

With regards to affordable housing provision in privately developed sites, the London Plan encourages boroughs to seek the maximum reasonable amount of affordable housing having regard to the 50% target in policy 3A.7. However, it notes that targets should be applied flexibly having regard to the cost of housing provision and the availability of public subsidy. The Mayor Housing SPG (2005) provides advice on the implementation details of the London Plan housing policies. It also provides updated advice on 'affordability' levels and 'housing mix' based on the findings of the GLA's Housing Requirements Study (2004) and the London Housing Strategy (2005)

Draft West London Sub Regional Development Framework (SRDF), 2005

3.12 The SRDF does not bring new policy but helps the implementation of the London Plan requirements for the West London Authorities and the delivery of affordable housing in West London. The authorities covered are the London Boroughs of Brent, Ealing, Hammersmith and Fulham, Harrow, Hillingdon and Hounslow. The final SRDF is scheduled to be published in Spring/Summer 2006.

Local Planning Guidance

Hillingdon's Unitary Development Plan

3.13 The need to update affordable housing guidance within Hillingdon's Unitary Development Plan (UDP), 1998 responds to the preparation of Hillingdon's Local Development Framework (LDF) and the obligation to comply with up to date National and London Plan guidance.

3.14 UDP Policy H11 contains Hillingdon's affordable housing requirements from new housing developments and states:

H11 WHERE RESIDENTIAL DEVELOPMENT OF 25 OR MORE DWELLINGS, OR OF SITES OF ONE OR MORE HECTARE IS PROPOSED, THE LOCAL PLANNING AUTHORITY WILL ENTER INTO NEGOTIATIONS AND WHERE APPROPRIATE LEGAL AGREEMENTS WITH DEVELOPERS TO OBTAIN THE HIGHEST ACCEPTABLE PROPORTION OF AFFORDABLE HOUSING.'

3.15 This SPD builds upon policy H11's aim to achieve the highest reasonable proportion of affordable housing. In addition, the SPD lowers the affordable housing threshold to at least 15 units per hectare or at least 0.5 hectare sites in compliance with London Plan guidance and draft national policy. The advice in this SPD supersedes advice contained in the Best Practice Note (2001).





Hillingdon's Local Development Framework - Submission Stage (2006)

3.16 Hillingdon's Local Development Framework is now progressing towards its Submission to the Secretary of State for Communities and Local Government and it is therefore a major material consideration when preparing and implementing planning policy in the borough. Local Development Framework policies are explained in the sections below.

Material considerations which lead to the adoption of the Affordable Housing SPD

In view of the local housing need and the regional affordable housing requirements, the following material considerations have been taken into account to proceed with this Supplementary Planning Document:

- i. The Council seeks to provide for a range of housing across all tenures and across all types and sizes as encouraged by draft PPS3 and London Plan policies 3A.4 'Housing choice' and 3A.7 'Affordable housing targets'. The Sustainable Communities Plan and Draft Planning Policy Statement 3 (Housing) extend current advice on housing mix and Draft PPS3 states that 'at site level, it is important that a broad mix of housing suitable for different household sites is provided for on larger sites. For smaller sites, the mix of housing should contribute to the creation of mixed communities'.
- ii. Draft PPS3 lowers the threshold for affordable housing from 25 units to 15 units. This has been a constant in Government policy throughout the review of PPG3 from 'Planning for mixed communities' to Draft PPS3 (December 2005) and therefore a major material consideration when developing planning policy.
- iii. At a regional level, Paragraph 3.46 of the London Plan notes that 'boroughs should set thresholds above which affordable housing requirements will apply at no greater than 15 units and are encouraged to seek a lower threshold.
- iv. London Plan policy 3A.7 sets an overall target for affordable housing provision of 50% from all sources and that out of this 50% the provision should be 70% social housing and 30% intermediate.
- v. With regards to affordable housing provision from privately developed sites, the London Plan seeks the maximum reasonable amount of affordable housing having regard to the targets in Policy 3A.7 and the economics of provision (Policy 3A.8)
- vi. Hillingdon's Housing Need Survey 2001 notes that in the light of the need for affordable housing in the borough the site threshold should be applied to sites capable of accommodating at least 15 dwellings. The Housing Needs Survey was updated in 2005 and illustrates that 50% affordable housing target levels derived from all sources would be justifiable in terms of local need and would be consistent with the London Plan policies.
- vii. Hillingdon's Housing Need Survey Update 2005 shows that a 70% social housing for rent and 30% intermediate housing requirement within the affordable housing provision would help to address current housing shortages in the borough. This would also help meeting London Plan tenure mix objectives within policy 3A.7.
- viii. Section 8.3 and table 8.2 of Hillingdon's Housing Needs Survey 2005 show that only 3.6% of the larger units needed in the borough is met by the housing supply. The table also shows that the shortfall of 4+ bedroom units, as a percentage of need, is the highest (96.5%) of all housing sizes. These figures demonstrate that larger housing units are in much shorter supply and will take longer to secure.
- ix. Draft PPS3 indicates that household types across areas should be determined by the relevant sub-regional housing market assessment and the relevant Regional Spatial Strategy, Regional Housing Strategy and Local Housing Strategy. This is reinforced within the Mayor's 2005 adopted Housing SPG (Paragraph 11.2) which notes that Housing Needs Assessments should have regard to the GLA Housing Requirements Study, London Housing Strategy and sub-regional housing strategies.





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3.17 This SPD reflects local housing need in the Housing Needs Survey (2001) and the Housing Needs Survey Update (2005). It also sets the identified housing shortages in the context of the regional needs by accommodating the overall housing mix provision guided in the GLA's Housing SPG, and Policies 3A.4, 3A.7 and 3A.8 of the London Plan. Furthermore, the SPD addresses Government and London Plan guidance with a level of responsiveness which allows for an appropriate level of flexibility without precluding overall housing provision.

3.18 This SPD builds on UDP Policy H11's aim to secure the maximum reasonable amount of affordable housing, London Plan guidance and the advanced stage of Hillingdon's LDF Core Strategy and other DPDs. The guidance in this SPD is appropriately justified until the adoption of Hillingdon's LDF Core Strategy in 2007 where the Council may need to review this SPD if there were to be changes to the Core Strategy affecting the provisions of Affordable Housing policy.

3 Policy Context





4 Housing Need in Hillingdon

4 Housing Need in Hillingdon

4.1 Hillingdon's Housing Strategy, 2003 "Raising the Standards" outlines the Council's plans for housing for the period 2003 to 2006 and was informed by Hillingdon's Housing Need Survey, 2001. The Strategy proposes to maximise opportunities for residents to live in a safe, affordable home and make the most of Hillingdon's diverse workforce to achieve this. Since the preparation of the Strategy much progress has been made and major changes have occurred. Hillingdon's Housing Need Survey 2001 has been updated, the London Housing Strategy has been published, the LOCATA choice based housing register system has been operating for two years and the Council's Community Strategy 2005 now supersedes the 2003 Community Plan. Hillingdon's Housing Strategy is committed to maximise opportunities for residents to live in safe affordable homes. This commitment is reflected in the Hillingdon's Community Plan's objectives.

4.2 Hillingdon's Housing Need Survey Update (2005) estimates that around 3,564 additional affordable units would be required per year up to 2010 if all affordable needs in the Borough are to be met. This compares with an estimate from the 2001 Survey of around 2,872 per annum. This increase reflects a rise in the number of households estimated to be in housing need as a result of high price rises above the rate of growth in income levels and a substantial decline in the estimated number of lets available from the existing social rented stock (276 lower in the current survey than in the previous survey). The results of the survey indicate a substantial shortfall of affordable housing, and one that will exceed the likely level of new housing provision over the next five years. The current results support a 50% affordable housing percentage in the Borough, with a further suggestion that sites below the current minimum threshold (1 hectare (ha) sites or 25 residential units) could be considered to maximise affordable housing opportunities.





5 Affordable Housing Requirments

5.1 The affordable Housing SPD is concerned with the implementation of LDF Core Policies CP Policy 23 and CP Policy 24 and Generic Policies DC Policy 43 and DC Policy 44 within the Preferred Options section of the LDF and Policy H11 Hillingdon Unitary Development Plan (1998).

5.2 The LDF Core Strategy policies are listed below for ease of reference:

CP POLICY 23: Housing Mix

WHEREVER PRACTICABLE, THE COUNCIL WILL SEEK THE PROVISION OF A RANGE OF DWELLING SIZES, TYPES AND TENURES IN NEW RESIDENTIAL DEVELOPMENT PROPOSALS.

CP POLICY 28: Maximising Affordable Housing Provision

THE COUNCIL WILL SEEK TO ENSURE THAT 50% OF ALL NEW HOUSING PROVIDED OVER THE PERIOD 1997 – 2016 IS AFFORDABLE.

THE COUNCIL AIMS TO ACHIEVE AN OVERALL AFFORDABLE HOUSING TENURE MIX OF 70% SOCIAL RENT AND 30% INTERMEDIATE.

DC POLICY 57: Mix of Housing sizes

IN NEW RESIDENTIAL DEVELOPMENTS OF 15 OR MORE UNITS DEVELOPERS WILL BE EXPECTED TO PROVIDE WHEN PRACTICABLE THE FOLLOWING OVERALL HOUSING SIZE MIX:

	15 to 50 residential units	51 or more residential units
1 Bedroom	A minimum balanced mix of 1, 2, 3 or more bedrooms with no more than 50% 1 bedroom units	30%
2/3 Bedroom		40%
4 Bedroom or larger		30%

DC POLICY 58: Maximising Affordable Housing Provision from Privately Developed Sites

THE COUNCIL WILL EXPECT ALL RESIDENTIAL AND MIXED-USE DEVELOPMENTS WITH AN ELEMENT OF HOUSING OF AT LEAST 0.5 HECTARES IN SIZE OR CAPABLE OF PROVIDING AT LEAST 15 DWELLINGS TO MAKE A CONTRIBUTION TOWARDS AFFORDABLE HOUSING.

IN SUPPORT OF CORE STRATEGY POLICY CP27, THE COUNCIL WILL SEEK TO NEGOTIATE THE MAXIMUM REASONABLE PROVISION OF AFFORDABLE HOUSING ON A SITE BY SITE BASIS.

PLANNING APPLICATIONS FOR DEVELOPMENT PROPOSALS FALLING WITHIN THE ABOVE THRESHOLD WILL BE REQUIRED TO BE ACCOMPANIED BY AN FINANCIAL VIABILITY APPRAISAL TO DEMONSTRATE THE PROPOSAL'S AFFORDABLE HOUSING CAPACITY.





THE PROPORTION OF AFFORDABLE HOUSING SOUGHT IS 70% SOCIAL HOUSING FOR RENT AND 30% INTERMEDIATE HOUSING UNLESS OTHERWISE INDICATED BY THE COUNCIL'S PRIORITY NEEDS IN ITS HOUSING REGISTER.

5.3 Some of the sources of affordable housing may involve the provision of 100% affordable housing units comprising social housing for rent, intermediate housing or a combination of both tenures. When assessing any proposal for affordable housing, the Council will take into account housing needs in the Housing Needs Survey and the Council's priority needs from the Council's Housing Register.

5.4 When an organisation proposes the development of a site for key worker housing to support their workforce specific needs, the proposal will also be assessed against the guidance in Hillingdon's Intermediate Housing Strategy 2005. The Strategy looks at any other groups of workers beyond the Government's Key Worker list who are unable to afford suitable local housing in the general market. The extended local list of key workers is reviewed on an annual basis in partnership with local employers in the borough.

5.5 The provision of affordable housing on privately developed sites is a requirement which the Government's Circular 06/98 and now Draft Planning Policy Statement 3 set upon developers of private residential schemes to provide a proportion of affordable housing as part of their proposals.

5.6 The Council seeks the maximum reasonable provision of affordable housing from private developments secured through planning obligations and/or conditions.

5.7 Sites of at least 0.5 hectares or sites capable of providing at least 15 residential units will be required to provide a proportion of affordable housing. The Council will seek 50% affordable housing provision for all residential developments and mixed-use schemes with an element of residential. All residential development providing less than the strategic 50% affordable housing requirement will need to be accompanied by a financial viability appraisal to demonstrate the proposal's affordable housing capacity.

5.8 The Council aims to achieve a tenure mix of 70% social rent and 30% intermediate housing across the Borough and will require the provision of this tenure mix from all development proposals unless otherwise required by the Council's priority needs or any other planning objectives which the Council considers a priority in the development of the site.

5.9 All types and tenures of affordable housing should be provided in accordance with the guidelines set out in the LDF Core and Generic Policies, Hillingdon's Supplementary Planning Guidance on Planning Obligations December 2003 until the new Planning Obligations SPD currently under preparation is adopted (2007), Hillingdon's Intermediate Housing Strategy, Hillingdon Design and Accessibility Statement SPD (2005) and Hillingdon's Community Safety by Design SPG (2004).





6 Definition Of Affordable Housing and Affordability

Affordable Housing Definition

The Council defines "affordable housing" as housing available to people who, based on their income, are unable to buy or rent adequate housing for their needs in the open market. It includes social and intermediate housing. The Council will assess affordability against the cheapest habitable dwelling with the same number of habitable rooms, available anywhere locally at market prices.

6.1 Within this definition, "locally" should be interpreted as within the Borough.

6.2 Types of affordable housing:

- Social housing is housing provided to rent at below market cost for households in need. It is provided by a landlord based on housing need with rents at no higher than those set by Government for housing association and local authorities rent.
- Intermediate housing is sub-market housing which is above target rents but substantially below open market levels. This category can include shared ownership, sub-market rent provision and key worker housing which meet this criterion.

6.3 The Council will seek to ensure that, where possible, residential development reflects the most suitable mix of residents and tenures for any given scheme. Affordable housing will continue to be delivered both by the Council and Registered Social Landlords (Housing Associations) and as part of private market sites through planning obligations and/ or conditions. The Council will seek a 50% overall affordable housing target from all sources as per Core Strategy policy CP28.

6.4 Sources of affordable housing are:

- Local authority developments
- Registered Social Landlords (Housing Associations) developments
- Low cost market housing where it can be shown to be affordable
- Private residential development secured through Planning Obligations
- Vacant properties brought back into use
- Provision from non-self-contained accommodation.

6.5 Housing provided from these sources will only be considered affordable if it meets Hillingdon's affordable housing definition.

6.6 Purpose built student accommodation will not be required to provide affordable housing. Student housing is not provided on a permanent basis and access to student housing is not determined by the inability to meet housing needs in the open market. Therefore, purpose built student accommodation will count towards overall housing targets in the borough but not towards affordable housing targets.

6.7 The Council will seek to ensure that social rented housing is provided in perpetuity through a planning obligation or any other mechanism which guarantees its perpetuity.

Housing Affordability

6.8 Affordable housing is defined by the affordability of different housing sizes in the Borough. This definition allows for making provision of a variety of housing sizes at an affordable end.

6.9 Affordability refers to the financial burden of housing costs relative to households' income. Households must have a reasonable income to live on after deducting housing costs from net income. For the purpose of Affordability housing costs include mortgage payments (interest and repayment),



6 Definition Of Affordable Housing and Affordability

rent, service charges, maintenance and repairs cost. Other housing related costs such as Council Tax, building and contents insurance and utilities (gas, electricity, water and sewage) are included in living costs.

Social Housing Affordability

6.10 Hillingdon Housing Needs Survey Update 2005 estimates household income in Hillingdon to be £26,684 per year. However, the median income is considerably lower than this at £20,654. Looking at income and minimum purchase and rental prices in Hillingdon the Survey shows that of all households in the Borough, a sixth are unable to afford market housing.

6.11 Table 6.1 contains the minimum priced market housing against which social housing will be assessed in Hillingdon.

Property size	Minimum priced market housing	Social rent (RSL)
1 bedroom	£125	£76
2 bedroom	£170	£82
3 bedroom	£212	£89
4 bedroom	£291	£94

Source: Hillingdon Housing Need Survey Update, 2005

Table 6.1 Cost of housing in Hillingdon (per week)

6.12 Social housing for rent should be provided at equal or lower costs than those in Table 5.1 for the equivalent number of bedrooms. Inclusion of service charges will increase the outgoing costs for some forms of housing and therefore, as a reference, in the case of social housing (household income of less than £16,400), rents and service charges should not exceed 30% of net household income. Social Services and Housing will be able to inform the adequate level of service charges for each tenure at the pre- application and application stages of any residential proposal.

6.13 The weekly outgoings in this table exclude additional service charges. Therefore, they should be seen as the minimum cost of entry.

Intermediate Housing Affordability

6.14 Although there is a potential 'market' in Hillingdon for intermediate housing, the Housing Needs Survey Update, 2005 indicates the majority of those in the 'intermediate' category have affordability levels at the bottom of the scale. The Survey data suggests that 56.3% of those who could afford intermediate housing could afford nothing costing more than a half of the difference between market and social rented prices. In order to maximise accessibility, intermediate housing should be set at costs only a little higher than social rents. The Survey illustrates that a series of separate products is needed covering the fullest possible range of affordability.

6.15 The Mayors London Plan and Housing SPG (2005) establish that intermediate housing should be directed to those households on annual incomes from £16,400 to £49,000. In addition, average housing costs including service charges should be affordable by households on annual incomes of £32,700 (mid point of £16,400 - £49,000). However, the Housing Needs Survey Update 2005 identified that Hillingdon average incomes fall below the GLA's figure.

6.16 Table 6.2 contains the range of costs against which intermediate housing will be assessed in Hillingdon.

Property size	Approximate outgoings (£/week)			
	Cheapest	2nd	3rd	Most expensive
1 bedroom	£76-£88	£89-£100	£101-£112	£113-£124





Property size	Approximate outgoings (£/week)			
	Cheapest	2nd	3rd	Most expensive
2 bedroom	£82-£104	£105-£126	£127-£147	£148-£169
3 bedroom	£89-£120	£121-£150	£151-£181	£182-£211
4 bedroom	£94-£143	£144-£192	£193-£241	£242-£290

Source: Housing Needs Survey Update, 2005

Table 6.2 Approximate outgoings for different types of intermediate housing

6.17 For intermediate housing, the GLA recommends an average of £765 a month for households on annual incomes of £32,700. However, this salary is beyond the average salary in Hillingdon and therefore, housing outgoings should be lower.

6.18 Further guidance on housing outgoings for intermediate housing will be informed by Hillingdon's Intermediate Housing Strategy. Affordability figures will be reviewed annually to identify the local affordability criteria to be applied when assessing development proposals against affordable housing policies in Hillingdon.

6.19 Housing that costs more than the minimum rental prices will not meet any of the Hillingdon's need for affordable housing. However, there is scope to meet some affordable housing needs at rents higher than the target levels and lower than the minimum rental levels.

6.20 Given that the affordability levels in Hillingdon are lower than the London average, the Council will seek the provision of a range of intermediate housing below the upper limits justified by the Mayor.

6.21 As a general rule of thumb a home is affordable if it is of a size suitable for the household's requirements and costs no more than a 3.0 lending multiplier (including household savings) to gross household income or monthly housing costs are under 30% of net household income.

6 Definition Of Affordable Housing and Affordability





7 Implementation of Affordable Housing

7.1 LDF policies are aimed to ensure that, where possible, residential development reflects the most suitable mix of residents and tenures for any given scheme. Affordable housing will continue to be delivered both by the Council and Registered Social Landlords (Housing Associations) and as part of private market sites through planning obligations and/ or conditions.

7.2 The Council will require a mix of dwellings sizes, types and tenures as part of new residential developments in accordance to LDF CP Policy 27 and will seek to maximise affordable housing provision as stated within LDF CP Policy 28 by adopting a Borough 50% overall affordable housing target from all sources.

7.3 The Council seeks to negotiate the maximum reasonable provision of affordable housing on a site by site basis and will seek a 50% affordable housing provision on the basis of 70% social rent housing and 30% intermediate housing from all residential and mixed-use developments with an element of housing.

7.4 The site-thresholds above which affordable housing is required will apply to sites of at least 0.5 hectares in size or capable of accommodating at least 15 dwelling units. Although the threshold is based on the capability of providing 15 dwelling units, affordable housing requirements will be sought in the form of habitable rooms per hectare (hr/ha).

7.5 While guidance on affordable housing percentages and thresholds apply to private development sites and to self contained specialist housing when appropriate, the remaining of this SPD guidance applies to all affordable housing provision.

7.6 The Council acknowledges that affordable housing requirements should not preclude the provision of affordable housing in the Borough. In this account, the Council will seek the provision of a financial viability assessment as part of those schemes proposing an affordable housing provision below 50%. The Council will consider the economics of provision and the costs of planning obligations as part of the appraisal.

7.7 Affordable housing percentages will be calculated in habitable rooms per hectare. This is to ensure that there is a balanced mix of dwelling sizes for both affordable and market provision in each given site.

7.8 Habitable rooms are normally defined as being used for living or sleeping space and in which kitchens have a floor area exceeding 13m². Small kitchens, halls bathrooms, toilets, landings and garages are excluded. Rooms over 20m² in size which are capable of division will be counted as two rooms.

7.9 The council's target is to achieve an overall affordable housing tenure mix of 70% social rent housing and 30% intermediate housing in the Borough as required by the London Plan and LDF Core Strategy CP Policy 28 and LDF Generic Policy DC Policy 58. This tenure split will be normally applied across the Borough.

7.10 It is envisaged that a proportion of affordable housing will continue to be delivered through traditional sources of affordable housing such as Registered Social Landlords (Housing Associations) and the Local Authority. RSLs and Local Authority developments normally involve 100% affordable housing sites which in most instances fall below the thresholds by which the Council requires a split of tenure. This together with the application on special circumstances of cascade mechanisms by which a private site unable to deliver the affordable housing requirement may deliver a different tenure split may bring a small element of alteration to the general 30/70 tenure split which will need to be monitored.





Housing size mix

7.11 The GLA Housing SPG and LDF DC Policy 43 require new residential developments to provide, when practicable an overall housing size mix in accordance to the table below:

	15 to 50 residential units	51 or more residential units
1 Bedroom	A minimum balanced mix of 1, 2 , 3 or more bedrooms with no more than 50% 1 bedroom units	30%
2/3 Bedroom		40%
4 Bedroom or larger		30%

Table 7.1 Housing Mix

7.12 This table guides the overall housing size mix for developments providing at least 15 residential units. However, the mix of sizes for affordable housing is better determined by local housing need based on Housing Register data. The Development Team in Hillingdon’s Social Services and Housing should be contacted to ascertain the preferred affordable housing size mix to respond to the Council’s priority needs, see contact details in Appendix 1.

7.13 Residential proposals are expected to provide a variety of housing types to cater for a variety of needs. However, it is recognised that not all sites will be suitable for a mix of housing types and tenures. In some cases small housing schemes may not be able to support all tenures either because of management reasons or the economics of housing provision. These circumstances will need to be supported by a financial viability assessment and/or details of management arrangements. The Council may then consider an off-site contribution or a ‘payment in lieu’.

7.14 All residential proposals will be required to provide for a mix of housing types and will be assessed against guidelines in Table 4.4 -Density, Character and Accessibility of Hillingdon’s LDF Core Strategy. Core Strategy Table 4.4 was endorsed by the GLA in 2005 as an appropriate adaptation of the London Plan matrix in Table 4B1to reflect local circumstances.

7.15 For small sites within town centre locations, the Council will consider whether the site is suitable for large family accommodation when applying table 7.1 above.

Viability of Affordable Housing

7.16 The Council is mindful that the continuous supply of housing must not be precluded. All planning applications will be assessed according to their own merits and circumstances. For instance, there may be cases where affordable housing requirements may not be achievable on a specific site. Negotiations for affordable housing provision will start with a proportion of 50% affordable housing provision of which 70% will be sought as social housing and 30% as intermediate housing. Developers will be required to provide a financial viability appraisal to justify a lower percentage. The Council will use the Affordable Housing Toolkit developed by the GLA and the Housing Corporation to evaluate financial viability appraisals and may seek independent advice in some instances. The Council will take into account the impact of development costs, planning obligations and the availability of Social Housing Grant.

7.17 Financial viability appraisals should support all planning applications proposing an affordable housing proportion lower than the 50% and should support any bids for Housing Corporation Grant.

7.18 Developers are advised to engage in early discussions with Housing Associations, the London Borough of Hillingdon and the Housing Corporation to share site specific information and the financial appraisal. The availability of social housing grant will be crucial to the viability of most development proposals. Therefore, in addition to developers undertaking a financial viability appraisal to support planning applications, housing association bids for social housing grant to the Housing Association will also need to be supported by a financial viability appraisal. For that reason, it is essential that developers liaise with a Housing Association (the bidding body) early in the preparation of the development proposal.





7.19 The Council will seek to confirm grant availability before concluding the planning obligation (legal agreement) with the applicant.

7.20 Where the availability of social housing grant is unknown (eg early pre-application discussions, long term developments), legal agreements will include a cascade mechanism based on the results of a financial viability appraisal linking the affordable housing requirement to the availability of grant.

7.21 If the results of a financial viability appraisal confirm that the affordable housing requirement cannot be provided as per LDF and London Plan policies, the Council will apply a cascade approach by which the Council will agree dependent upon the site specifics and local circumstances to either:

- alter the tenure split requirement; and/or
- reduce the affordable housing requirement.

7.22 The cascade mechanism will need to be guided by the Council's Supplementary Planning Guidance for Planning Obligations (2003) and the emerging Planning Obligations SPD which will incorporate the new affordable housing requirements.

7.23 In the case of 'phased' or long term developments, it will be necessary to periodically reappraise house prices, build costs and subsidy availability and this may be referred to in S106 agreements.

7.24 Where a scheme is providing at least 50% affordable housing, no financial viability appraisal is required as long as the tenure and housing mix provided is consistent with the guidance in this SPD including meeting the Council's priority needs.

7.25 Applicants are encouraged to use the Housing Corporation/GLA Affordable Housing Toolkit as it will be the model the Council will use to validate the financial viability appraisals. The list below shows some information that the Council will require when validating a financial viability appraisal. The list is indicative and may change in time, it may also apply differently to different development scenarios such as pre-application discussions or outline planning applications. Therefore, developers and housing associations are advised to contact the Projects and Implementation Team (See Appendix 1) for detailed information when preparing financial viability appraisals.

7.26 This list is useful in that it illustrates the variety of information required from developers, housing associations and the Council clearly showing the need for early engagement in the preparation of development proposals.

7.27 Indicative list of information:

- Mix of units and tenures: number of dwellings for each dwelling type and tenure
- Wheelchair units: number of wheelchair dwelling units either by percentage or by unit if different numbers are required for particular tenures or dwelling types.
- Height of buildings: total number of floors, specify whether all flats are in building/s of greater than 6 storey and have a lift, all flats are in buildings of less than 6 storey and have a lift or whether all flats are in building/s of less than 6 storey and do not have a lift.
- Market values: market value of the sale units (comparable selling prices for developments in the locality where the proposed scheme is located).
- Sub-market rents: the rent by dwelling type in the cases where sub-market rent units are specified
- Size of units: average size of the different property types in square metres
- Development costs:
 - Building costs per square metre
 - Other development costs: Greenfield infrastructure costs as a percentage of building costs, internal overheads as a percentage of build costs, finance (market) as a percentage of





- market value, finance (affordable housing) as a percentage of development costs, marketing fees, developers return and contractors return
- Exceptional development costs
- Social rent and Sub-market rent costs and capitalisation
- Planning Obligations
- Capital contribution from other sources

Off-site Contributions and 'Payments in Lieu'

7.28 The Council will seek the provision of affordable housing on site. However, under exceptional circumstances where on-site provision of affordable housing will not be viable or there may be community benefits by not providing affordable housing on site, the preferred alternative will be to provide affordable housing on alternative sites. Alternative sites should be identified and be located within the vicinity of the development site.

7.29 In exceptional circumstances the Council may agree a payment in lieu of on site provision. The Applicant will have to demonstrate that the provision of affordable housing on site is not a viable proposition before this option is considered. The Council will use this contribution solely to facilitate the provision of affordable housing in the borough.

7.30 Off-site contributions and 'payments in lieu' will need to be guided by the Council's Supplementary Planning Guidance for Planning Obligations (2003) and the emerging Planning Obligations SPD (2007).

Deliberate underdevelopment of Sites

7.31 If the Council understands that a site has been underdeveloped to avoid the provision of affordable housing it will apply the full affordable housing provision requirement. This will include circumstances where:

- a. sites comprise of at least 0.5ha or are capable of accommodating at least 15 housing units; and
- b. sites forming part of a more substantial development which would in its totality fall within the above threshold.

7.32 On allocated sites, circumstances under point b) will be applied by seeking affordable housing to be provided at the level required if an application were submitted for the site as a whole, or for the number of units for which approval is sought, whichever is the greater.





8 Design Standards

8 Design Standards

8.1 Affordable homes should be high quality homes with low maintenance costs and high energy and water efficiency. All new development should make use of good design and architecture to encourage attractive environments and reinforce or create local distinctiveness, make efficient use of resources and be designed as to encourage safe, accessible and legible environments. To ensure that residential proposals strive to achieve these principles, the Council will assess all residential proposals against guidance in the Council's Community Safety by Design SPG (2004), Best Practice Note on Sustainable Design and Construction (2005) and the design and accessibility guidance contained within Hillingdon Design and Accessibility Statement (HDAS, 2005) SPD.

8.2 The Council's Development Team (Social Services and Housing) should be contacted early in the design stages of a scheme for advice. Early engagement with the Council's Development Team (Social Services and Housing) will facilitate the compliance with affordable housing standards, help minimise services charges and comply with Housing Corporation Standards as far as it is consistent with the provision of the high quality residential environments sought by the Council's Local Development Framework and other strategies.

8.3 The Council will seek developments to be built to Lifetime Homes standards, which will be applied to all new housing including blocks of flats as well as to conversions and refurbishments. In addition, 10% of the residential units should be designed to be wheelchair accessible. Development schemes will be required to evenly distribute these requirements throughout the development and to cater for a varying number of occupants. These requirements apply to both private and social sector housing.

8.4 All new dwellings in Hillingdon are expected to comply with the minimum floor standards recommended in Hillingdon HDAs SPD (2005)

8.5 However, affordable housing may need to comply with the Housing Corporation Minimum Standards. This compliance will be one of the requirements when bidding for Housing Corporation funding.

Location and Appearance of Affordable Housing

8.6 The design of affordable housing units should be the same as that of the market housing units on the same site. The affordable housing units will be expected to be evenly distributed throughout the development site (pepper-potted) and be like for like with the market housing on site. That is, the design of affordable housing should be indistinguishable from the other units.

8.7 Proposals for affordable non self-contained specialist accommodation should be informed by Hillingdon's SPG for Houses in Multiple Occupation and other non Self-Contained Housing (2004) and the Hillingdon Design and Accessibility Statement SPD (2005).



9 The Planning Application Process, Funding of Affordable Housing and Planning Obligations

Planning Application process

9.1 Developers should be aware that non-compliance with affordable housing requirements might justify the refusal of planning permission. The successful delivery of affordable housing can be greatly improved if the percentage and tenure of affordable housing are established prior to the submission of a planning application. The Council therefore encourages pre-application discussions to establish these requirements.

9.2 At application stage, applicants are required to specify in their Application Statements the proportion and type of affordable housing provided both in number of units and habitable rooms. The statement should also specify any affordable housing provision agreed at pre-application stage.

9.3 If an application departs from the LDF affordable housing policies, the applicant should include in the application statement the circumstances of the departure. The Council encourages the provision of financial viability appraisals at pre-application stage. Other wise, those applications proposing an affordable housing percentage lower than 50% will be encouraged to submit a financial viability appraisal when validating the planning application. All economically sensitive information will be kept confidential.

9.4 The Council will use the Affordable Housing Tool Kit developed by the Housing Corporation and the GLA to evaluate any appraisals submitted by developers and/or seek independent financial advice in some instances.

Funding of affordable housing

9.5 All affordable housing requiring public subsidy in the form of Housing Corporation Social Housing Grant will be required to meet Housing Corporation standards for:

9.6 Scheme Development

- Cost Indicators;
- Target Rents; and
- Service Charge Levels

9.7 Subsidy for social rented housing may be provided by:

- a developer;
- the Housing Corporation (Social Housing Grant);
- a Housing Association (RSL) using its own funds; or
- the Council.

9.8 In fact, funding is likely to come from more than one of these sources. If a developer demonstrates that public subsidy is needed to finance a particular scheme the Development Team (Social Services and Housing) will help to assess the likelihood of securing funding. If sufficient funding is not available the Council may negotiate alternative solutions requiring less subsidy, such as a lower proportion of affordable housing provision or provision off-site. These exceptions are unlikely to be acceptable unless justified by a robust financial viability appraisal.

Planning Obligations and Conditions

9.9 The Council expects affordable housing delivered as a planning obligation to ensure the affordability of housing in perpetuity. Wording for legal agreements will be prepared as part of the LDF to address:



9 The Planning Application Process,
Funding of Affordable Housing and
Planning Obligations

- a. Affordability in perpetuity;
- b. Right to acquire from both intermediate and social rented housing is reinvested in affordable accommodation;
- c. Intermediate housing for key workers covers Hillingdon's wider key worker denominations as per Hillingdon's Intermediate Housing Strategy.

9.10 Planning obligations should generally ensure that all affordable housing dwellings remain affordable in perpetuity to meet housing need. Details on legal agreements and conditions should be referenced in the Planning Obligations SPG and Planning Obligations SPD 2007 once adopted.

Involvement of Register Social Landlords (Housing Associations) or other accredited affordable housing providers

9.11 The Council recognises that the success of mixed tenure housing in reducing social exclusion depends as much on the tenure mix as on the approaches to management that will cater for all residents' needs. Therefore, the Council will preferably seek to transfer any social rented housing to a Registered Social Landlord at a cost which reflects normal sources of public subsidy where available or other wise at the developers expense. When an RSL is not involved, the Council will enter into an agreement to secure the affordability of the dwellings in perpetuity.

9.12 When registered social landlords (RSL's) are involved, the applicant's proposed RSL partner, should also be involved in this financial appraisal as the RSL will have to justify any social housing grant requirement to the Housing Corporation.

9.13 Hillingdon's Development Team (Social Services and Housing) will provide details of a suitable partner Association prior to design of a residential scheme required to provide affordable housing.

9.14 Housing Corporation funding and transfer to an RSL (Housing Association) will only be possible if the affordable housing element of the proposal is designed to meet both Housing Corporation and Housing Association or equivalent body standards. When bidding to the Housing Corporation for funds, the housing associations will need to demonstrate that a financial viability appraisal has been undertaken. Since both developers at the planning application stage and housing associations at bidding stage will need to demonstrate the financial viability of the proposal, it is crucial that both held discussions early in the development of the residential proposal.

9.15 The Council will seek to negotiate nominations agreements similar to those already established with a number of Housing Associations with any other approved providers of social rented and intermediate housing.





10 Monitoring

10.1 The Council produces an Annual Monitoring Report which contains all LDF monitoring. As the implementation tool of the affordable housing LDF policies, this SPD will be covered by the following indicators:

Type of Housing

10.2 The Council will record the housing types to monitor whether the type of new housing supplied is meeting the housing needs in the Borough.

Size of Housing

10.3 The Council will record the size of new housing as per the standards in Generic Policy DC Policy 57.

Affordable housing provision

10.4 50% of housing provision in the Borough from all sources should be affordable. The Council will monitor:

- a. The proportion of affordable housing from Section 106 Agreements; and
- b. The proportion of affordable housing coming from other sources.

10.5 Other sources are:

- Local authority developments
- Residential Landlord's developments
- Low cost market housing where it can be shown to be affordable
- Vacant properties brought back into use
- Provision from non-self-contained accommodation

10.6 The tenure split of development proposals will be monitored by recording the proportion of Intermediate and social rented housing.

10.7 Maximising Affordable Housing Provision from privately developed sites

10.8 Planning obligations and/or conditions: The Council will record the proportion of affordable housing from Planning obligations and/or conditions to monitor the supply of affordable housing from privately developed sites. This is to ensure that development proposals comply with the affordable housing requirement set by their financial viability assessments following evaluation by the Council.

10.9 Tenure: The tenure split will be monitored by recording the proportion of intermediate and social rented housing.

10.10 All indicators will be monitored annually as part of the LDF Annual Monitoring Report.



Appendix 1: Index of Reference Documents

Appendix 1: Index of Reference Documents

When viewing this document on line you will be able to click on the highlighted documents for a direct web link.

Reference document	Published by:
Affordable Housing Toolkit	Greater London Authority
Circular 05/05 'Planning Obligations' (1998)	Office of the Deputy Prime Minister*
Circular 6/98 'Planning and Affordable Housing' (1998)	Department of Environment, Transport and the Regions*
Draft Planning Policy Statement 3 (Housing) (2005)	Office of the Deputy Prime Minister
Draft West London Sub Regional Development Framework, GLA (2005)	Grater London Authority
Hillingdon Affordable Housing Best Practice Note (2001)	London Borough of Hillingdon - Planning and Transportation Group
Hillingdon Affordable Housing SPD Statement of Consultation (2006)	London Borough of Hillingdon - Planning and Transportation Group
Hillingdon Affordable Housing Statement of Sustainability Appraisal (2006)	London Borough of Hillingdon - Planning and Transportation Group
Hillingdon Affordable Housing Sustainability Appraisal (2006)	London Borough of Hillingdon - Planning and Transportation Group
Hillingdon Design and Accessibility Statement SPD (2005)	London Borough of Hillingdon
Hillingdon Housing Needs Survey (2001) <i>Not on the web site - Contact the Strategy Team in Social Services and Housing on 01895 277451</i>	London Borough of Hillingdon - Social Services and Housing
Hillingdon Housing Needs Survey Update (2005) <i>Not on the web site - Contact the Strategy Team in Social Services and Housing on 01895 277451</i>	London Borough of Hillingdon - Social Services and Housing
Hillingdon Unitary Development Plan (1998)	London Borough of Hillingdon
Hillingdon's Community Safety by Design SPG (2004)	London Borough of Hillingdon
Hillingdon's Intermediate Housing Strategy (2005) <i>Not on the web site - Contact the Strategy Team in Social Services and Housing on 01895 277451</i>	London Borough of Hillingdon - Social Services and Housing





Reference document	Published by:
Hillingdon's Supplementary Planning Guidance on Planning Obligations (2003)	London Borough of Hillingdon - Planning and Transportation Group
Hillingdon's Houses in Multiple Occupation and other non Self-contained Housing (2004)	London Borough of Hillingdon - Planning and Transportation Group
Hillingdon's Local Development Framework: Core Strategy Submission Stage (2006)	London Borough of Hillingdon - Planning and Transportation Group
Housing SPG, GLA (2005)	Greater London Authority
London Housing Strategy, LHB (2005)	London Housing Board
London Plan, GLA (2004)	Greater London Authority
Policy Guidance Note 3: PPG3 (2000)	Department of the Environment, Transport and the Regions*
Sustainable Communities Plan (2003)	Office of the Deputy Prime Minister*
Sustainable Communities Plan: Homes for All (2005)	Office of the Deputy Prime Minister*

* Now under the Department for Communities and Local Government

Appendix 1: Index of Reference Documents





Appendix 2: Council Contacts

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Social Services and Housing	
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Tel.: 01895 277451	Tel.: 01895 277593
Planning and Transportation Group	
Policy & Environmental Planning Team	Projects and Implementation Team
Tel.: 01895 556771	Tel.: 01895 277084

